

1 DANIEL M. PETROCELLI (S.B. #97802)  
2 DREW BREUDER (S.B. #198466)  
3 O'MELVENY & MYERS LLP  
4 1999 Avenue of the Stars  
5 Los Angeles, California 90067  
6 Telephone: (310) 553-6700  
7 Facsimile: (310) 246-6779

8 MARK A. SAMUELS (S.B. #107026)  
9 JORDAN RAPHAEL (S.B. #252344)  
10 MELANIE P. OCHOA (S.B. #284342)  
11 O'MELVENY & MYERS LLP  
12 400 South Hope Street  
13 Los Angeles, California 90071-2899  
14 Telephone: (213) 430-6000  
15 Facsimile: (213) 430-6407

16 Attorneys for Defendants  
17 Skechers U.S.A., Inc. and Skechers U.S.A.,  
18 Inc. II

19  
20 **UNITED STATES DISTRICT COURT**  
21 **SOUTHERN DISTRICT OF CALIFORNIA**  
22

23 TERRIKELLY, LLC,  
24  
25 Plaintiff,  
26  
27 v.  
28 SKECHERS U.S.A., INC.; and  
SKECHERS U.S.A., INC. II,  
Defendant.

Case No. 15-CV-1086 GPC DHB

**ANSWER, AFFIRMATIVE  
DEFENSES, AND  
COUNTERCLAIMS OF  
DEFENDANTS SKECHERS  
U.S.A., INC. AND SKECHERS  
U.S.A., INC. II**

**Judge: Hon. Gonzalo P. Curiel  
Courtroom: 2D**

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COME NOW Defendants Skechers U.S.A., Inc. and Skechers U.S.A., Inc. II  
(collectively, "Skechers"), and for their Answer to the Complaint of Plaintiff  
TerriKelly, LLC herein, admit, deny and aver as follows:

ANSWER, AFFIRMATIVE DEFENSES &  
COUNTERCLAIMS OF DEFENDANTS  
15-CV-1086 GPC DHB

1           1.     Skechers lacks knowledge or information sufficient to form a belief  
2 about the truth of the allegations in Paragraph 1, and therefore denies the same on  
3 that basis.

4           2.     Skechers admits the allegations in Paragraph 2.

5           3.     Skechers admits the allegations in Paragraph 3.

6           4.     Skechers admits the allegations in Paragraph 4.

7           5.     The allegations in Paragraph 5 purport to state a legal conclusion to  
8 which no answer is required; if answer is required, Skechers admits that this action  
9 purports to invoke the Court's subject matter jurisdiction pursuant to the statutes  
10 cited.

11          6.     In answer to Paragraph 6, Skechers admits the allegations therein,  
12 except denies that it maintains 97 retail and factory outlet store locations in  
13 California and alleges that its 10-K filing speaks for itself and not otherwise.

14          7.     In answer to Paragraph 7, Skechers admits that it has advertised,  
15 marketed, and/or sold footwear to consumers and retailers in this judicial district,  
16 but denies each and every remaining allegation therein, and specifically denies that  
17 it has committed acts of trademark infringement in the manner alleged, in any other  
18 manner, or at all.

19          8.     The allegations in Paragraph 8 purport to state a legal conclusion to  
20 which no answer is required; if answer is required, Skechers admits that venue in  
21 this district purports to be laid based upon the statute cited.

22          9.     Skechers lacks knowledge or information sufficient to form a belief  
23 about the truth of the allegations in Paragraph 9, and therefore denies the same on  
24 that basis.

25          10.    In answer to Paragraph 10, Skechers admits that Plaintiff purports  
26 to be the owner of U.S. Trademark Registration No. 4,730,442 and that said  
27 registration speaks for itself and not otherwise. Skechers lacks knowledge or  
28 information sufficient to form a belief about the truth of the remaining allegations

1 in Paragraph 10, and therefore denies the same on that basis.

2 11. Skechers denies each and every allegation in Paragraph 11, except  
3 admits and alleges that to the extent they purport to set forth legal conclusions no  
4 answer is required as to them.

5 12. Skechers denies each and every allegation in Paragraph 12, except  
6 admits and alleges that to the extent they purport to set forth legal conclusions no  
7 answer is required as to them..

8 13. Skechers lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in Paragraph 13, and therefore denies the same on  
10 that basis.

11 14. Skechers lacks knowledge or information sufficient to form a belief  
12 about the truth of the allegations in Paragraph 14, and therefore denies the same on  
13 that basis.

14 15. Skechers lacks knowledge or information sufficient to form a belief  
15 about the truth of the allegations in Paragraph 15, and therefore denies the same on  
16 that basis.

17 16. Skechers lacks knowledge or information sufficient to form a belief  
18 about the truth of the allegations in Paragraph 16, and therefore denies the same on  
19 that basis.

20 17. Skechers lacks knowledge or information sufficient to form a belief  
21 about the truth of the allegations in Paragraph 17, and therefore denies the same on  
22 that basis.

23 18. Skechers denies each and every allegation in Paragraph 18, and  
24 specifically denies that the purported mark has acquired secondary meaning.

25 19. Skechers admits the allegations in Paragraph 19.

26 20. Skechers admits the allegations in Paragraph 20.

27 21. Skechers admits the allegations in Paragraph 21.

28 22. Skechers admits the allegations in Paragraph 22.

23. In answer to Paragraph 23, Skechers denies each and every allegation therein, except admits and alleges that it has used the phrase “like yoga pants for your feet” descriptively to describe its SKECHERS® Women’s Stretch Fit: Glider shoes in the referenced television commercial and in the YouTube description of that commercial, and admits that the commercial has appeared on television and on YouTube. Skechers specifically denies that its usage of that phrase was other than a permissive, lawful and descriptive usage, or that it has infringed any valid trademark of the Plaintiff. Skechers lacks knowledge or information sufficient to form a belief about the truth of Plaintiff’s allegation as to its first awareness of the commercial, and therefore denies the same on that basis.

24. Skechers denies each and every allegation in Paragraph 24, except admits and alleges that it has used the phrase “like yoga pants for your feet” descriptively to describe its SKECHERS® Women’s Stretch Fit: Glider shoes in the referenced Twitter and Facebook posts. Skechers specifically denies that its usage of that phrase was other than a permissive, lawful and descriptive usage, or that it has infringed any valid trademark of the Plaintiff.

25. Skechers lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 25, and therefore denies the same on that basis.

26. Skechers denies each and every allegation in Paragraph 26.

27. In answer to Paragraph 27, Skechers admits and alleges that its Form 10-K filing speaks for itself and not otherwise.

28. In answer to Paragraph 28, Skechers admits and alleges that it devotes significant resources to the advertising of its goods, and that it has occasionally engaged celebrities such as those referenced in connection with various of its advertising campaigns. Skechers lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in Paragraph 28, and therefore denies the same on that basis.

1           29. Skechers denies each and every allegation in Paragraph 29, except  
2 admits and alleges that it markets its products in various ways, including those  
3 referenced. Skechers specifically denies that consumers have been or will likely be  
4 confused or deceived in the manner alleged, in any other manner, or at all, as a  
5 result of any wrongful actions on the part of Skechers. Skechers lacks knowledge  
6 or information sufficient to form a belief about the truth of the allegations  
7 concerning TerriKelly or its resources, and therefore denies the same on that basis.

8           30. Skechers denies each and every allegation in Paragraph 30, except  
9 admits and alleges that it received the referenced letter on or about the date alleged  
10 and that the same speaks for itself and not otherwise. Skechers specifically denies  
11 that it has infringed any valid trademark of the Plaintiff.

12           31. In answer to Paragraph 31, Skechers admits and alleges that it has  
13 continued to use the phrase “like yoga pants for your feet” descriptively to describe  
14 SKECHERS® Women’s Stretch Fit: Glider shoes, but denies that that its usage of  
15 that phrase was other than a permissive, lawful and descriptive usage, or that it has  
16 infringed any valid trademark of the Plaintiff.

17           32. Skechers denies each and every allegation in Paragraph 32, and  
18 specifically denies that it has infringed or is infringing any valid trademark of the  
19 Plaintiff through its descriptive use of the phrase “like yoga pants for your feet” to  
20 describe SKECHERS® Women’s Stretch Fit: Glider shoes, or otherwise.

21           33. Skechers denies each and every allegation in Paragraph 33, and  
22 specifically denies that consumers have been or will likely be confused or deceived  
23 in the manner alleged, in any other manner, or at all, as a result of any wrongful  
24 actions on the part of Skechers.

25           34. In answer to Paragraph 34, Skechers incorporates by reference each  
26 and every admission, denial and allegation set forth above in response to  
27 Paragraphs 1 through 33, inclusive, of the Complaint.

28           35. Skechers denies each and every allegation in Paragraph 35, except

1 admits and alleges that Plaintiff purports to be the owner of U.S. Trademark  
2 Registration No. 4,730,442 and that said registration speaks for itself and not  
3 otherwise.

4           36. In answer to Paragraph 36, Skechers lacks knowledge or  
5 information sufficient to form a belief about the truth of the allegations concerning  
6 Plaintiff's use of the referenced purported mark, and therefore denies the same on  
7 that basis. Skechers denies each and every remaining allegation therein, and  
8 specifically denies that the referenced purported mark is inherently distinctive.

9           37. In answer to Paragraph 37, Skechers lacks knowledge or  
10 information sufficient to form a belief about the truth of the allegations concerning  
11 Plaintiff's purported efforts and expenditures, and therefore denies the same on that  
12 basis. Skechers denies each and every remaining allegation therein, and  
13 specifically denies that the referenced purported mark has become a distinctive  
14 source identifier in connection with Plaintiff's goods.

15           38. Skechers denies each and every allegation in Paragraph 38, and  
16 specifically denies that the referenced purported mark has developed secondary  
17 meaning. Skechers lacks knowledge or information sufficient to form a belief  
18 about the truth of the allegations concerning Plaintiff's purported use and  
19 promotion, and therefore denies the same on that basis.

20           39. Skechers denies each and every allegation in Paragraph 39.

21           40. In answer to Paragraph 40, Skechers admits and alleges that  
22 Plaintiff did not "consent" to Skechers' use of the phrase "like yoga pants for your  
23 feet," but denies that any such consent is or was required in connection with  
24 Skechers' use of that phrase in the manner it has been used. Skechers denies each  
25 and every remaining allegation in Paragraph 40, and specifically denies that its  
26 usage of that phrase was other than a permissive, lawful and descriptive usage, or  
27 that it has infringed any valid trademark of the Plaintiff.

28           41. In answer to Paragraph 41, Skechers admits and alleges that it has

1 used the phrase “like yoga pants for your feet” descriptively to describe  
2 SKECHERS® Women’s Stretch Fit: Glider shoes, but denies that its usage of that  
3 phrase was other than a permissive, lawful and descriptive usage, or that it has  
4 infringed any valid trademark of the Plaintiff.

5 42. Skechers denies each and every allegation in Paragraph 42, and  
6 specifically denies that the public has been or will likely be confused or deceived in  
7 the manner alleged, in any other manner, or at all, as a result of any wrongful  
8 actions on the part of Skechers.

9 43. Skechers denies each and every allegation in Paragraph 43, and  
10 specifically denies that consumers have been or will likely be confused, mistaken or  
11 deceived in the manner alleged, in any other manner, or at all, as a result of any  
12 wrongful actions on the part of Skechers. Skechers lacks knowledge or information  
13 sufficient to form a belief about the truth of the allegations concerning Plaintiff or  
14 its purported advertising and promotion, and therefore denies the same on that  
15 basis.

16 44. Skechers denies each and every allegation in Paragraph 44, and  
17 specifically denies that Plaintiff has suffered or will suffer injury in the manner  
18 alleged, in any other manner, or at all, as a result of any wrongful actions on the  
19 part of Skechers.

20 45. Skechers denies each and every allegation in Paragraph 45, and  
21 specifically denies that it has infringed any valid trademark of the Plaintiff  
22 willfully, in any other manner, or at all.

23 46. Skechers denies each and every allegation in Paragraph 46, and  
24 specifically denies that it has infringed any valid trademark of the Plaintiff  
25 willfully, in bad faith, in any other manner, or at all.

26 47. Skechers denies each and every allegation in Paragraph 47, and  
27 specifically denies that Plaintiff has suffered damage in the manner or sum alleged,  
28 in any other manner or sum, or at all, as a result of any wrongful actions on the part

1 of Skechers.

2  
3 48. In answer to Paragraph 48, Skechers incorporates by reference each  
4 and every admission, denial and allegation set forth above in response to  
5 Paragraphs 1 through 47, inclusive, of the Complaint.

6 49. In answer to Paragraph 49, Skechers admits and alleges that it has  
7 used the phrase “like yoga pants for your feet” descriptively to describe  
8 SKECHERS® Women’s Stretch Fit: Glider shoes, but denies that its usage of that  
9 phrase was other than a permissive, lawful and descriptive usage, or that it has  
10 infringed any valid trademark of the Plaintiff.

11 50. Skechers denies each and every allegation in Paragraph 50, and  
12 specifically denies that the public has been or will likely be confused or deceived in  
13 the manner alleged, in any other manner, or at all, as a result of any wrongful  
14 actions on the part of Skechers.

15 51. Skechers denies each and every allegation in Paragraph 51, and  
16 specifically denies that consumers have been or will likely be confused, mistaken or  
17 deceived in the manner alleged, in any other manner, or at all, as a result of any  
18 wrongful actions on the part of Skechers, and further specifically denies that it has  
19 unfairly benefited from the efforts of Plaintiff in the manner alleged, in any other  
20 manner, or at all.

21 52. Skechers denies each and every allegation in Paragraph 52, except  
22 admits and alleges that Plaintiff, through counsel, has given notice to Skechers of  
23 its claimed ownership of the purported mark and of its claim of infringement, but  
24 Skechers specifically denies that it has infringed or is infringing any valid  
25 trademark of the Plaintiff willfully, intentionally, in any other manner, or at all.

26 53. Skechers denies each and every allegation in Paragraph 53.

27 54. Skechers denies each and every allegation in Paragraph 54, and  
28 specifically denies that Plaintiff has suffered or will suffer injury or damage in the

1 manner alleged, in any other manner, or at all, as a result of any wrongful actions  
2 on the part of Skechers.

3 55. In answer to Paragraph 55, Skechers incorporates by reference each  
4 and every admission, denial and allegation set forth above in its response to  
5 Paragraphs 1 through 54, inclusive, of the Complaint.

6 56. Skechers denies each and every allegation in Paragraph 56, and  
7 specifically denies that Plaintiff has a protectable interest in the purported mark.

8 57. Skechers denies each and every allegation in Paragraph 57, and  
9 specifically denies that it has infringed or is infringing any valid trademark of the  
10 Plaintiff in the manner alleged, in any other manner, or at all.

11 58. Skechers denies each and every allegation in Paragraph 58, and  
12 specifically denies that Plaintiff is entitled to recover damages in the manner or sum  
13 alleged, in any other manner or sum, or at all, as a result of any wrongful actions on  
14 the part of Skechers.

15 59. Skechers denies each and every allegation in Paragraph 59, and  
16 specifically denies that Plaintiff has suffered or is suffering injury or harm in the  
17 manner alleged, in any other manner, or at all, as a result of any wrongful actions  
18 on the part of Skechers.

19 60. In answer to Paragraph 60, Skechers incorporates by reference each  
20 and every admission, denial and allegation set forth above in its response to  
21 Paragraphs 1 through 59, inclusive, of the Complaint.

22 61. Skechers denies each and every allegation in Paragraph 61.

23 62. Skechers denies each and every allegation in Paragraph 62, and  
24 specifically denies that consumers or the public have been or will likely be  
25 confused in the manner alleged, in any other manner, or at all, as a result of any  
26 wrongful actions on the part of Skechers.

27 63. Skechers denies each and every allegation in Paragraph 63, except  
28 admits and alleges that it has used the phrase “like yoga pants for your feet”

1 descriptively to describe SKECHERS® Women's Stretch Fit: Glider shoes, and  
2 specifically denies that its usage of that phrase was other than a permissive, lawful  
3 and descriptive usage, or that it has infringed any valid trademark of the Plaintiff.  
4 Skechers further specifically denies that consumers have been or will likely be  
5 confused in the manner alleged, in any other manner, or at all, as a result of any  
6 wrongful actions on the part of Skechers.

7           64. Skechers denies each and every allegation in Paragraph 64, and  
8 specifically denies that Plaintiff has suffered injury or damage in the manner  
9 alleged, in any other manner, or at all, as a result of any wrongful actions on the  
10 part of Skechers.

11           65. Skechers denies each and every allegation in Paragraph 65, and  
12 specifically denies that it has unlawfully competed with or otherwise engaged in  
13 any wrongful conduct toward Plaintiff willfully, maliciously, in any other manner,  
14 or at all.

15           66. Skechers denies each and every allegation in Paragraph 66, and  
16 specifically denies that Plaintiff has suffered or will suffer injury or damage in the  
17 manner alleged, in any other manner, or at all, as a result of any wrongful actions  
18 on the part of Skechers.

19           67. In answer to Paragraph 67, Skechers incorporates by reference each  
20 and every admission, denial and allegation set forth above in its response to  
21 Paragraphs 1 through 66, inclusive, of the Complaint.

22           68. Skechers denies each and every allegation in Paragraph 68, and  
23 specifically denies it has been or will be unjustly enriched in the manner alleged, in  
24 any other manner, or at all, as a result of any wrongful actions on the part of  
25 Skechers.

#### 26 **AFFIRMATIVE DEFENSES**

27 AS AND FOR ITS SEPARATE AND AFFIRMATIVE DEFENSES,  
28 Skechers alleges as follows:

1                                   **FIRST AFFIRMATIVE DEFENSE**

2                                   (Failure To State A Claim)

3                   69.     Plaintiff's Complaint and each and every purported claim for relief  
4     alleged therein fails to state facts sufficient to constitute a cause of action against  
5     Skechers.

6                                   **SECOND AFFIRMATIVE DEFENSE**

7                                   (Scope of Rights)

8                   70.     The scope of Plaintiff's trademark rights, if any, is not broad  
9     enough to preclude Skechers' use of the phrase "like yoga pants for your feet."

10                                  **THIRD AFFIRMATIVE DEFENSE**

11                                 (No Likelihood Of Confusion)

12                  71.     There is no likelihood of confusion between Plaintiff's purported  
13     mark and Skechers' use of the phrase "like yoga pants for your feet."

14                                  **FOURTH AFFIRMATIVE DEFENSE**

15                                 (No Secondary Meaning)

16                  72.     Plaintiff's purported mark has not obtained any secondary  
17     meaning and is therefore unregistrable, invalid, and unprotectable.

18                                  **FIFTH AFFIRMATIVE DEFENSE**

19                                 (Non-Infringement)

20                  73.     Skechers has not infringed (including, *inter alia*, directly,  
21     indirectly, contributorily, or vicariously) Plaintiff's purported mark, as alleged in  
22     the Complaint.

23                                  **SIXTH AFFIRMATIVE DEFENSE**

24                                 (Innocence And Non-Willfulness)

25                  74.     Skechers' actions, as alleged in the Complaint, were innocent and  
26     non-willful.

**SEVENTH AFFIRMATIVE DEFENSE**

(Descriptive Fair Use)

75. Plaintiff's claims are barred because Skechers' usage of the phrase "like yoga pants for your feet" was not a trademark use, was fair and in good faith, and was only descriptive.

**EIGHTH AFFIRMATIVE DEFENSE**

(Merely Descriptive)

76. Plaintiff's purported mark is merely descriptive and therefore unregistrable, invalid, and unprotectable.

**NINTH AFFIRMATIVE DEFENSE**

(Merely Informational)

77. Plaintiff's purported mark is merely informational in nature and therefore unregistrable, invalid, and unprotectable.

**TENTH AFFIRMATIVE DEFENSE**

(Invalid Registration – No Use On Or Before The Application Date)

78. Plaintiff and/or its predecessor in interest did not use the purported mark in commerce on or before the filing date of the trademark application that registered as U.S. Trademark Registration No. 4,730,442, and therefore the registration is invalid.

**ELEVENTH AFFIRMATIVE DEFENSE**

(Invalid Registration – Fraud)

79. Plaintiff and/or its predecessor in interest obtained U.S. Trademark Registration No. 4,730,442 using knowingly false and/or fraudulent declarations and representations, with an intent to deceive. Those false/or fraudulent declarations were material to the grant of the registration. Thus, the registration is invalid.

**TWELFTH AFFIRMATIVE DEFENSE**

(No Damages)

80. Plaintiff has suffered no damages and/or has failed to mitigate its damages, if any.

**THIRTEENTH AFFIRMATIVE DEFENSE**

(Unjust Enrichment)

81. Plaintiff would be unjustly enriched if allowed to recover on its Complaint.

**FOURTEENTH AFFIRMATIVE DEFENSE**

(Additional Defenses)

82. Skechers is informed and believes and on that basis alleges that it may have additional defenses available to it, which are not fully known and of which it is not presently aware. Skechers reserves the right to raise and assert further additional defenses after such defenses have been ascertained.

**SKECHERS' COUNTERCLAIMS AGAINST TERRIKELLY**

For their counterclaims against Plaintiff and Counter-defendant TerriKelly, LLC, Defendants and Counter-claimants Skechers U.S.A., Inc. and Skechers U.S.A., Inc. II (collectively, "Skechers") allege on knowledge as to their own conduct and on information and belief as to all other matters, as follows:

**JURISDICTION AND VENUE**

83. These Counterclaims arise out of the Complaint which alleges purported violations of and seeks remedies and relief under the Lanham Act, 15 U.S.C. §§ 1114, 1125(a), 1116(a) and 1121(a); California Business and Professions Code §§ 17200 *et seq.*; and California common law. These Counterclaims further arise under the Federal Declaratory Judgments Act, 28 U.S.C. §§ 2201 *et seq.*

84. This Court has original jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338, and 15 U.S.C. § 1121, and supplemental jurisdiction over

1 the related state law claims pursuant to 28 U.S.C. § 1367.

2 85. This Court further has jurisdiction over a claim seeking the  
3 cancellation of a trademark registration in an action involving that registration  
4 pursuant to 15 U.S.C. § 1119.

5 86. This Court has personal jurisdiction over Counter-defendant, and  
6 by filing its Complaint in this Court, Counter-defendant has consented to personal  
7 jurisdiction in this district.

8 87. Venue is proper in this district under 28 U.S.C. § 1391.

9 **FACTS COMMON TO ALL COUNTS**

10 88. Skechers is an award-winning global leader in the footwear  
11 industry. Skechers designs, develops, and markets lifestyle footwear that appeals to  
12 men, women, and children. Currently, Skechers has over 3,000 different styles and  
13 sells tens of millions of pairs of its shoes each year.

14 89. Skechers has achieved tremendous notoriety and success. Its  
15 products are sold through third-party department and specialty stores across the  
16 country, as well as through Skechers' network of company-owned and -operated  
17 retail stores. Skechers also sells its products outside the United States in over 100  
18 countries and territories.

19 90. As part of its business, Skechers has developed a family of  
20 trademarks and logos to identify it as the source of its products. The family of  
21 trademarks and subcategories of brands includes, *inter alia*, SKECHERS,  
22 SKECHERS PERFORMANCE, SKECHERS SPORT, SKECHERS SPORT  
23 FUSION, SKECHERS SPORT ACTIVE, SKECHERS ACTIVE, SKECHERS  
24 USA, SKECHERS CALI, SKECHERS RELAXED FIT, SKECHERS D'LITES,  
25 SKECHERS AUSTRALIA, SKECHERS COLLECTION, SKECHERS  
26 COMFORT WALKERS, SKECHERS OUTDOOR, SKECHERS KIDS,  
27 SKECHERS TWINKLE TOES, SKECHERS ADVENTURE, SKECHERS HOT  
28 LIGHTS, and SKECHERS WORK. In addition, Skechers has registered a variety

1 of logos incorporating an “S” symbol.

2 91. Skechers’ products, packaging, and advertising prominently display  
3 one or more of the trademarks and/or brands enumerated above, clearly designating  
4 Skechers as the source of the footwear. Skechers’ products, packaging, and  
5 advertising also describe the products’ features, objectives, uses, or purposes.

6 92. In 2014, Skechers developed and released SKECHERS® Women’s  
7 Stretch Fit: Glider shoes, a specialty line of sporty, casual comfort sneakers.

8 93. One of the primary materials used in SKECHERS® Women’s  
9 Stretch Fit: Glider shoes is mesh fabric—a soft, stretchable, and comfortable fabric  
10 that conforms to the wearer’s foot.

11 94. In order to describe and highlight the comfort of SKECHERS®  
12 Women’s Stretch Fit: Glider shoes, Skechers’ advertising and marketing for the  
13 shoes have compared them to yoga pants (which are well known for, among other  
14 attributes, their comfort) and used the phrase “like yoga pants for your feet”  
15 descriptively to describe the shoes, as in the following example:

16 “Yoga pants are comfortable, fashionable and worn by women  
17 everywhere. New Stretch Fit shoes from SKECHERS are like yoga pants  
18 for your feet! They’re comfy and form-fitting with a lightweight interior  
19 that stretches with every step. And they even have a soft Skechers  
20 Memory Foam insole that cradles your foot like a pillow.”

21 95. In all such instances, Skechers’ advertising and marketing for the  
22 SKECHERS® Women’s Stretch Fit: Glider shoes have also prominently featured  
23 Skechers’ famous trademarks, including the SKECHERS® mark and/or Skechers’  
24 famous “S” logo.

25 96. Counter-defendant has claimed trademark rights in the purported  
26 mark YOGA PANTS YOUR FEET, including ownership of U.S. Trademark  
27 Registration No. 4,730,442 for the mark in International Class 025 for “Flip flops”  
28 and “Footwear.”

98. In connection with the trademark application referenced above, Terri Kelly, who upon information and belief is the owner of Counter-defendant, submitted a sworn declaration to the USPTO that the first use in commerce of Counter-defendant's purported mark YOGA PANTS FOR YOUR FEET was "[a]t least as early as" January 31, 2014.

100. To date, despite Skechers' repeated requests, Counter-defendant has failed and refused to provide Skechers with any evidence whatsoever that corroborates Ms. Kelly's sworn statement to the USPTO that the first use in commerce of Counter-defendant's purported mark was "[a]t least as early as" January 31, 2014.

## FIRST COUNTERCLAIM

24 102. Counter-defendant obtained U.S. Trademark Registration No.  
25 4,730,442 for its purported mark YOGA PANTS FOR YOUR FEET in  
26 International Class 025 for “Flip flops” and “Footwear.”

1 to the wearer's body. The phrase "like yoga pants for . . ." has become common  
 2 parlance, and is frequently used by sellers of various products and their consumers  
 3 to describe that a product shares one or more of the same qualities or attributes as  
 4 yoga pants, including, *inter alia*, comfort, casual style, and versatility.

5 104. Counter-defendant's alleged mark YOGA PANTS FOR YOUR  
 6 FEET merely describes purported qualities or characteristics of the footwear  
 7 products offered by Counter-defendant.

8 105. The alleged mark YOGA PANTS FOR YOUR FEET does not  
 9 require any exercise of the imagination to be understood as describing purported  
 10 qualities or characteristics of Counter-defendant's footwear products.

11 106. When used in connection with Counter-defendant's footwear  
 12 products, the alleged mark YOGA PANTS FOR YOUR FEET is merely descriptive  
 13 of the products, and U.S. Trademark Registration No. 4,730,442 for the mark is  
 14 thus invalid, unenforceable, and should be cancelled.

15 107. In light of Counter-defendant's reliance on its purported rights in  
 16 U.S. Trademark Registration No. 4,730,442 to support its claims against Skechers  
 17 in this action, Skechers reasonably believes that it has been or will be damaged by  
 18 the continued registration of the alleged mark YOGA PANTS FOR YOUR FEET,  
 19 U.S. Trademark Registration No. 4,730,442.

20 108. Skechers is thus entitled to cancellation of U.S. Trademark  
 21 Registration No. 4,730,442.

## 22 **SECOND COUNTERCLAIM**

23 (Cancellation of U.S. Trademark Reg. No. 4,730,442 –

24 Void *Ab Initio*; No Use On Or Before The Application Date)

25 (15 U.S.C. §§ 1051, 1064, 1119)

26 109. Skechers incorporates herein by reference Paragraphs 83 through  
 27 100 hereof.

28 110. The trademark application that registered as U.S. Trademark

1 Registration No. 4,730,442 was filed with the USPTO as a use-based application  
2 pursuant to 15 U.S.C. § 1051(a).

3 111. In connection with the trademark application referenced above, Ms.  
4 Kelly submitted a sworn declaration to the USPTO that the first use in commerce of  
5 Counter-defendant's purported mark YOGA PANTS FOR YOUR FEET was "[a]t  
6 least as early as" January 31, 2014. In the same sworn declaration, Ms. Kelly also  
7 stated that the mark was in use in commerce on the date of the trademark  
8 application.

9 112. Despite Skechers' repeated requests, Counter-defendant has to date  
10 failed and refused to provide any evidence whatsoever that corroborates Ms.  
11 Kelly's sworn statement to the USPTO that the first use in commerce of Counter-  
12 defendant's purported mark was "[a]t least as early as" January 31, 2014.

13 113. The USPTO trademark records also contain no evidence that the  
14 purported mark YOGA PANTS FOR YOUR FEET was used in commerce on or  
15 before the filing date of the use-based trademark application that registered as U.S.  
16 Trademark Registration No. 4,730,442.

17 114. Upon information and belief, there was no use in commerce by  
18 Counter-Defendant and/or its predecessor in interest of the purported mark YOGA  
19 PANTS FOR YOUR FEET "[a]t least as early as" January 31, 2014, as Ms. Kelly  
20 swore in her statement to the USPTO.

21 115. Upon information and belief, there was no use in commerce by  
22 Counter-Defendant and/or its predecessor in interest of the purported mark YOGA  
23 PANTS FOR YOUR FEET on or before the filing date of the use-based trademark  
24 application that registered as U.S. Trademark Registration No. 4,730,442.

25 116. Because there was no use in commerce by Counter-Defendant  
26 and/or its predecessor in interest of the purported mark YOGA PANTS FOR YOUR  
27 FEET on or before the filing date of Counter-defendant's use-based trademark  
28 application, the registration that issued from the application, U.S. Trademark

1 Registration No. 4,730,442, is void *ab initio*.

2 117. In light of Counter-defendant's reliance on its purported rights in  
3 U.S. Trademark Registration No. 4,730,442 to support its claims against Skechers  
4 in this action, Skechers reasonably believes that it has been or will be damaged by  
5 the continued registration of the alleged mark YOGA PANTS FOR YOUR FEET,  
6 U.S. Trademark Registration No. 4,730,442.

7 118. Skechers is thus entitled to cancellation of U.S. Trademark  
8 Registration No. 4,730,442.

### 9 **THIRD COUNTERCLAIM**

10 (Cancellation of U.S. Trademark Reg. No. 4,730,442 – Merely Informational)

11 (15 U.S.C. §§ 1115(a), 1051, 1052, 1119, 1127, 1064)

12 119. Skechers incorporates herein by reference and realleges Paragraphs  
13 83 through 100 hereof.

14 120. The purported mark YOGA PANTS FOR YOUR FEET, as used by  
15 Counter-defendant in connection with its goods, is merely an informational phrase  
16 about its footwear products.

17 121. Because the purported mark merely provides information about  
18 Counter-defendant's goods, the mark is not likely to be perceived by the consuming  
19 public as an identification of the source of the goods.

20 122. As a mark that is merely informational, YOGA PANTS FOR  
21 YOUR FEET does not function as an indicator of source and is not entitled to a  
22 federal trademark registration, and U.S. Trademark Registration No. 4,730,442  
23 should not have issued.

24 123. In light of Counter-defendant's reliance on its purported rights in  
25 U.S. Trademark Registration No. 4,730,442 to support its claims against Skechers  
26 in this action, Skechers reasonably believes that it has been or will be damaged by  
27 the continued registration of the alleged mark YOGA PANTS FOR YOUR FEET,  
28 U.S. Trademark Registration No. 4,730,442.

124. Skechers is thus entitled to cancellation of U.S. Trademark Registration No. 4,730,442.

#### **FOURTH COUNTERCLAIM**

(Cancellation of Trademark Registration – Fraud On The USPTO)

(15 U.S.C. §§ 1115(a) & (b); 1119; 1064)

125. Skechers incorporates herein by reference and realleges Paragraphs 83 through 100 hereof.

126. The trademark application that registered as U.S. Trademark Registration No. 4,730,442 was filed with the USPTO as a use-based application pursuant to 15 U.S.C. § 1051(a).

127. In connection with the trademark application referenced above, Ms. Kelly submitted a sworn declaration to the USPTO that the first use in commerce of Counter-defendant's purported mark YOGA PANTS FOR YOUR FEET was "[a]t least as early as" January 31, 2014. In the same sworn declaration, Ms. Kelly also stated that the mark was in use in commerce on the date of the trademark application.

128. Despite Skechers' repeated requests, Counter-defendant has to date failed and refused to provide any evidence whatsoever that corroborates Ms. Kelly's sworn statement to the USPTO that the first use in commerce of Counter-defendant's purported mark was "[a]t least as early as" January 31, 2014.

129. The USPTO trademark records also contain no evidence that the purported mark YOGA PANTS FOR YOUR FEET was used in commerce on or before the filing date of the use-based trademark application that registered as U.S. Trademark Registration No. 4,730,442.

130. Upon information and belief, there was no use in commerce by Counter-Defendant and/or its predecessor in interest of the purported mark YOGA PANTS FOR YOUR FEET either "[a]t least as early as" January 31, 2014 or on or before the filing date of the use-based trademark application that registered as U.S.

1 Trademark Registration No. 4,730,442.

2           131. Upon information and belief, Counter-defendant and/or its  
3 predecessor in interest made false representations to the USPTO about the use in  
4 commerce date of the purported mark YOGA PANTS FOR YOUR FEET, as  
5 described above, and those false representations were material to the USPTO's grant  
6 of U.S. Trademark Registration No. 4,730,442.

7           132. Upon information and belief, Counter-defendant and/or its  
8 predecessor in interest knew or should have known that the representations to the  
9 USPTO about the use in commerce dates of the purported mark YOGA PANTS  
10 FOR YOUR FEET, as described above, were false.

11           133. Upon information and belief, Counter-defendant and/or its  
12 predecessor in interest made the representations to the USPTO about the use in  
13 commerce date of the purported mark YOGA PANTS FOR YOUR FEET, as  
14 described above, with intent to deceive the USPTO.

15           134. Counter-defendant and/or its predecessor in interest thus procured  
16 U.S. Trademark Registration No. 4,730,442 by false means and/or by knowingly  
17 making false and/or fraudulent declarations and representations to the USPTO.

18           135. Because of Counter-defendant's and/or its predecessor in interest's  
19 knowingly false and/or fraudulent declarations and representations, Counter-  
20 defendant and/or its predecessor in interest committed fraud on the USPTO in  
21 procuring U.S. Trademark Registration No. 4,730,442.

22           136. In light of Counter-defendant's reliance on its purported rights in  
23 U.S. Trademark Registration No. 4,730,442 to support its claims against Skechers  
24 in this action, Skechers reasonably believes that it has been or will be damaged by  
25 the continued registration of the alleged mark YOGA PANTS FOR YOUR FEET,  
26 U.S. Trademark Registration No. 4,730,442.

27           137. Skechers is thus entitled to cancellation of U.S. Trademark  
28 Registration No. 4,730,442.

**FIFTH COUNTERCLAIM**

(Declaration Of Non-Infringement)

(28 U.S.C. § 2201 *et seq.*)

138. Skechers incorporates herein by reference and realleges Paragraphs 83 through 100 hereof.

139. In each instance in which Skechers made use of the phrase “like yoga pants for your feet,” it has been solely for descriptive purposes. In all such instances, Skechers’ famous registered trademarks, including the SKECHERS® mark and/or Skechers’ famous “S” logo, have also been prominently featured, clearly designating and identifying Skechers as the source of its footwear products.

140. In its Complaint, Counter-defendant has alleged, and Skechers denies, that Skechers’ descriptive use of the phrase “like yoga pants for your feet” constitutes trademark infringement, false designation of origin, and/or unfair competition under the Lanham Act, California’s Unfair Competition law, and/or the common law.

141. Based on the foregoing allegations, there exists between the parties a substantial controversy of sufficient immediacy and reality to warrant declaratory relief.

142. Skechers’ use of the phrase “like yoga pants for your feet” does not infringe upon any valid trademark held by Counter-defendant.

143. Skechers is therefore entitled to a declaratory judgment that its use of the phrase “like yoga pants for your feet” does not infringe on any trademark rights of the Counter-defendant.

**SKECHERS’ PRAYER FOR RELIEF**

WHEREFORE, Skechers respectfully requests that the Court enter judgment in its favor as follows:

a) That the Complaint and each and every purported claim for relief therein be dismissed with prejudice;

1           b) That the Court issue an order to the USPTO cancelling U.S.  
2 Trademark Registration No. 4,730,442;

3           c) That the Court issue a declaration that Skechers' use of the phrase  
4 "like yoga pants for your feet" does not:

5               i) infringe on any trademark rights of Counter-defendant or on any  
6 common law rights it might have accrued;

7               ii) violate Section 32 of the Lanham Act, 15 U.S.C. § 1114;

8               iii) violate Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a);

9               iv) constitute trademark infringement under California common law;

10              v) constitute unfair competition under California common law or Cal.

11 Bus. and Prof. Code §§ 17200 et seq.;

12              vi) constitute unjust enrichment; or

13              vii) violate any other federal, state, or common law.

14           d) That the Court determine that this is an exceptional case under 15  
15 U.S.C. § 1117(a) and award Skechers its attorneys' fees, costs, and disbursements;  
16 and

17           e) That the Court award Skechers such other and further relief as the  
18 Court deems just and proper.

1 Dated: June 5, 2015

2 DANIEL M. PETROCELLI  
3 MARK A. SAMUELS  
4 DREW BREUDER  
5 JORDAN RAPHAEL  
6 MELANIE P. OCHOA  
7 O'MELVENY & MYERS LLP

8 By: s/ Mark A. Samuels  
9 Mark A. Samuels  
10 Attorneys for Defendants  
11 Skechers U.S.A., Inc. and Skechers  
12 U.S.A., Inc. II  
13 Email: msamuels@omm.com  
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**PROOF OF SERVICE**

I, Melanie P. Ochoa, declare:

I am a citizen of the United States and employed in Los Angeles County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 400 South Hope Street, Los Angeles, California 90071-2899.

On June 5, 2015, I electronically filed the attached document:

ANSWER, AFFIRMATIVE DEFENSES, AND  
COUNTERCLAIMS OF DEFENDANTS SKECHERS  
U.S.A., INC. AND SKECHERS U.S.A., INC. II

with the Clerk of the court using the CM/ECF system which will then send a notification of such filing to the following:

Lisa M Martens  
Fish and Richardson  
12390 El Camino Real  
San Diego, CA 92130  
Telephone: (858)678-5070  
Facsimile: (858)678-5099 (fax)  
Email: martens@fr.com

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 5, 2015, at Los Angeles, California.

